January 31, 2012

Christopher Booker reacts to SOTU from Great Britain.

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James Pethokoukis posts on the Grabell piece we had yesterday from the NY Post. Recall the original Obama economic team. It consisted of President Obama, Vice President Joe Biden, Treasury Secretary Timothy Geithner, and White House economists Lawrence Summers, Christina Romer, Austan Goolsbee and Jared Bernstein. It was the Democrats' Best and Brightest — but not one with a smidgen of executive experience in either the private of public sector. And into their hands was entrusted an \$800 billion stimulus spending plan, a package whose details were fleshed out by Harry Reid and Nancy Pelosi. What could go wrong?

Lots it turns out. And Michael Grabell, a reporter for ProPublica, documents the many failing of the American Recovery and Reinvestment Act in "<u>Money Well Spent? The Truth Behind the</u> <u>Trillion-Dollar Stimulus, the Biggest Economic Recovery Plan in History</u>," out this week. Rather than focus on questionable Keynesian economics behind the stimulus, <u>Grabell focuses on its</u> <u>execution and management</u>. ...

Jennifer Rubin writes about the most persecuted man in America.

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"Newt Gingrich was walking out of Washington's Sheraton-Carlton in the fall of 1995 when he turned to his press secretary and said, "I guess I've given you a problem for the rest of the day." Tony Blankley conceded that it would be "tricky" to defend him. After all, Gingrich had warned a roomful of reporters that his spokesman would kill him for voicing a complaint that the House speaker himself admitted was "petty." Gingrich and his fellow Republicans had just shut down the federal government in a dramatic spending showdown with Bill Clinton, and now he was carping that the president never talked to him during a 25-hour flight on Air Force One and had him "get off the plane by the back ramp . . . Where is their sense of manners?" The next morning, when New York's Daily News depicted Gingrich as a bawling, diaper-clad baby, House Democratic leader Dick Gephardt arranged for a giant reproduction to be unveiled on the House floor. Republicans called an unprecedented vote that forced the Democrats to take the poster down — but they were furious with their leader for creating the distraction."

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Want to know one of the reasons college tuition keeps climbing? <u>Marc Perry</u> posts on costs at U. of Michigan.

From an <u>open letter to President Obama</u> on December 16, 2011 from University of Michigan President Mary Sue Coleman:

"Higher education is a public good currently lacking public support. **There is no stronger** *trigger for rising costs at public universities and colleges than declining state support.*"

According to the <u>Washington Post</u>, "President Barack Obama will announce a plan to shift some federal dollars away from colleges and universities that don't control tuition costs and new competitions in higher education to encourage efficiency as part of an effort to contain soaring college costs. Obama will spell out his plans Friday at the University of Michigan in Ann Arbor."

One issue that will probably not receive a lot of attention today from either President Obama or President Coleman is the contribution of rising administrative positions and salaries to the rising cost of college tuition. For example:

1. According to data from the <u>Chronicle of Higher Education</u> (also available from <u>IPEDS</u>), the University of Michigan-Ann Arbor has 53% more full-time "administrators and professionals" (9,652) than full-time faculty (6,305), or a ratio of 1.53 administrative and professional positions for every full-time faculty member. Couldn't those administrative/professional expenses have something to do with rising tuition?

Speaking of getting well by doing good, the **Daily Mail, UK** went to Haiti to see how the aid is getting thru to those in need.

... Ricardo lifts the faded sheet that serves as his front door. His three-week-old baby lies asleep on the single bed that fills the family's home, while his two-year old son screams at the back entrance.

The heat under the plastic roof is so intense his wife Roseline, 27, drips with sweat as she describes living in such hell. She looks exhausted. If she is lucky, she says, she has one meal a day, but often goes two days without food, putting salt in water to keep her going.

Since giving birth she has passed out a number of times and does not produce enough breast milk to feed her new son. She shows me a small can of condensed milk she gives him; she cannot afford the baby formula he needs.

So had they seen any of the huge sums of aid donated to alleviate such hardship? They shake their heads — just one hygiene kit from the local Red Cross. 'I have heard about this aid but never seen it,' says Roseline. 'I don't think people like us stood a chance of getting any of it.'

Ricardo says it makes him angry. 'If I looked back two years ago I would never have thought I would still be here in this camp. If the aid organisations really cared about our lives, they could have done something. But how can I have hope for my future, living like this?'

The family's story shames all those international organisations that flocked to Haiti after the earthquake two years ago, which killed an estimated 225,000 people. It was one of the most devastating natural disasters of recent years — and the world responded in sympathy. The international community claimed to have given $\pounds 6.5$ billion to heal Haiti's wounds, while donations poured in to charities.

Earlier this month, on the quake's second anniversary, aid agencies pumped out press releases proclaiming their successes. Add up all the people they claim to have helped and the number exceeds the population of Haiti.

The reality is rather different — and shines a stark light on the assumptions, arrogance and deficiencies of the ever-growing global relief industry. ...

Andrew Malcolm has late night humor.

Telegraph Blogs, UK How I woke up to the untruths of Barack Obama

The President's State of the Union address was as weaselly as any politician's could be. By Christopher Booker

When I happened to wake up in the middle of the night last Wednesday and caught the BBC World Service's live relay of President Obama's State of the Union address to Congress, two passages had me rubbing my eyes in disbelief.

The first came when, to applause, the President spoke about the banking crash which coincided with his barnstorming 2008 election campaign. "The house of cards collapsed," he recalled. "We learned that mortgages had been sold to people who couldn't afford or understand them." He excoriated the banks which had "made huge bets and bonuses with other people's money", while "regulators looked the other way and didn't have the authority to stop the bad behaviour".

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It was this Act, above all, which let the US housing bubble blow up, far beyond the point where it was obvious that hundreds of thousands of homeowners would be likely to default. Yet, in 2005, no one more actively opposed moves to halt these reckless guarantees than Senator Obama, who received more donations from Fannie Mae than any other US politician (although Senator Hillary Clinton ran him close).

A later passage in Obama's speech, when he hailed the way his country's energy future has been transformed by the miracle of shale gas, met with a storm of applause. Not only would this give the US energy security for decades, creating 600,000 jobs, but it could now go all out to exploit its gas and oil reserves (more applause). Yet this was the man who in 2008 couldn't stop talking about the threat of global warming, and was elected on a pledge to make the US only the second country in the world, after Britain, to commit to cutting its CO2 emissions from fossil fuels by 80 per cent within 40 years.

Even more telling than his audience's response to this, however, was what happened when Obama referred briefly to the need to develop "clean energy on enough public land to power three million homes". But no mention now of vast numbers of wind turbines – those props beside which he constantly chose to be filmed back in 2008. No harking back to his boast that "renewable energy" would create "four million jobs". And even to this sole fleeting reminder of what, four years ago, was his flagship policy the response of Congress was a deafening silence.

A few months after Obama entered the White House, I suggested here that the slogan on which he was elected – "Yes we can" – seemed to have changed to "No we can't". It was already obvious that, having won election as an ideal Hollywood version of what "the first black President" should look and sound like, he was in reality no more than a vacuum. His speech last week was as weaselly as any politician's performance could be, not least in its references to the sub-prime scandal.

But on no issue has this been more obvious than political America's wholesale retreat from the great fantasy of global warming – which leaves Britain as the only country committed to the insanity of cutting "carbon emissions" by four-fifths in less than four decades. President Obama and the rest of the world have moved on.

American.com The Obama stimulus: How Big Government screwed up the Big Spend

By James Pethokoukis

Recall the original Obama economic team. It consisted of President Obama, Vice President Joe Biden, Treasury Secretary Timothy Geithner, and White House economists Lawrence Summers, Christina Romer, Austan Goolsbee and Jared Bernstein. It was the Democrats' Best and Brightest — but not one with a smidgen of executive experience in either the private of public sector. And into their hands was entrusted an \$800 billion stimulus spending plan, a package whose details were fleshed out by Harry Reid and Nancy Pelosi. What could go wrong?

Lots it turns out. And Michael Grabell, a reporter for ProPublica, documents the many failing of the American Recovery and Reinvestment Act in "<u>Money Well Spent? The Truth Behind the</u> <u>Trillion-Dollar Stimulus, the Biggest Economic Recovery Plan in History</u>," out this week. Rather than focus on questionable Keynesian economics behind the stimulus, <u>Grabell focuses on its</u> execution and management.

In reporting on the stimulus over three years, I traveled to 15 states, interviewed hundreds of people and read through tens of thousands of government documents and project reports. What I found is that the stimulus failed to live up to its promise not because it was too small (as those on the left argue) or because Keynesian economics is obsolete (as those on the right argue), but because it was poorly designed. Even advocates for a bigger stimulus need to acknowledge that their argument is really one about design and presentation.

Take the tax cut piece of the plan. Inspired by new research in behavioral economics, Team Obama constructed the \$116 billion tax credit so it was was "dribbled" it out in paychecks at about \$10 a week. Grabell:

Perhaps that would have worked if the tax cut had been substantial. But spread out in tiny increments, it did little to overcome the prevailing fear of losing a job, a home and years of retirement savings. Not only did Obama lose the political credit but also the consumer excitement that a large check would have provided.

Or how about the infrastructure spending. Grabell says it was beset by regulatory obstruction and union pandering:

The timing of the stimulus was poor to bring about the flood of construction projects everyone expected in the first year. States had to advertise the project to allow contractors to submit bids. They needed to review those bids and sign the contracts. Then, they had to go back to the US Department of Transportation for the final OK. ..

Some projects in public housing, waterworks and home insulation remained paralyzed for six months to a year as short-staffed agencies reviewed Buy American waiver requests and calculated prevailing wages for weatherization work in every county in America.

In Michigan, human services officials estimated that 90% of the homes in line for weatherization work would need a historic preservation review. But as of late fall 2009, the office responsible had only two employees.

Public transit advocates expected a windfall for bus companies like New Flyer in St. Cloud, Minn. But the transit money took longer to get out the door because every grant had to be reviewed by the Labor Department to ensure that it wouldn't have a negative impact on transit unions.

In short, Big Government screwed up the Big Spend. Biden said the stimulus would "literally drop kick us out of the recession." But Grabell concludes that "the stimulus ultimately failed to do what America expected it to do — bring about a strong, sustainable recovery. The drop kick was shanked."

And that's about what you might expect from a White House run by brilliant theoreticians with no one around to do a reality check. Let's contrast Team Obama with Team Reagan. The Gipper's cabinet had Donald Regan, former CEO of Merrill Lynch; George Schultz, former president of engineering firm Bechtel; Caspar Weinberger, also of Bechtel; Malcolm Baldridge, CEO of manufacturer Scovill. And, of course, there was Reagan himself, the former two-term governor of America's most populous state.

So here we are, three years and a trillion bucks later. Unemployment is still over 8 percent and the economy grew just 1.7 percent last year. And many economist think the fourth quarter's 2.8 percent GDP growth might be as good as it gets for a while. The <u>Federal Reserve's recent</u> <u>economic forecast</u>, for instance, see the economy growing between 2.2 percent and 2.7 percent with unemployment between 8.2 percent and 8.5 percent.

Is Obama really going to run on the success of the stimulus? Republicans should sure hope so.

Right Turn Gingrich: The most persecuted man in America? by Jennifer Rubin

The one incident from Newt Gingrich's speakership that stands out in most people's minds is the pout-a-thon concerning Air Force One. <u>Howard Kurtz and Lois Romano recall</u>:

Newt Gingrich was walking out of Washington's Sheraton-Carlton in the fall of 1995 when he turned to his press secretary and said, "I guess I've given you a problem for the rest of the day." Tony Blankley conceded that it would be "tricky" to defend him. After all, Gingrich had warned a roomful of reporters that his spokesman would kill him for voicing a complaint that the House speaker himself admitted was "petty."

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. . . Where is their sense of manners?" The next morning, when New York's Daily News depicted Gingrich as a bawling, diaper-clad baby, House Democratic leader Dick Gephardt arranged for a giant reproduction to be unveiled on the House floor. Republicans called an unprecedented vote that forced the Democrats to take the poster down — but they were furious with their leader for creating the distraction.

This is quintessential Newt Gingrich — thin-skinned, self-absorbed, destructive and, yes, "petty." He excels in converting his own missteps into tales of martyrdom. All of this has manifested itself in the campaign in big ways and small.

He whined that the debate audience wouldn't be able to cheer him. He then grumped that audience was <u>stacked against him when it didn't cheer him.</u> He spends endless hours complaining about Mitt Romney's ads and debate triumph — lies, lies, all lies, he tells us. His spokesperson R.C. Hammond, like his boss, labels opponents "liars." Gingrich complains that he failed in his debate because his principal opponent — you guessed it — was telling untruths. (Not a very good debater then, is he?) He says that he'll trail President Obama demanding his Lincoln-Douglas-style debate, but his campaign flunky <u>freaks out</u> when a Romney surrogate quietly stands in the back of Gingrich events quietly observing the opposition.

When Gingrich experiences the normal rough and tumble of a campaign, Sarah Palin (another perpetual mainstream media exploiter) claims that the attacks are "Stalinesque." From her house she might see Russia, but her understanding of Stalin is nonexistent; Stalin, of course, *prevented* free elections and the robust expression of free speech.

Gingrich boasts of his association with Ronald Reagan and then becomes unhinged when Reagan's former advisers beg to differ about Gingrich's fidelity to the president. He goes bonkers, <u>accusing them</u> with no facts whatsoever of being part of a grand scheme. The notion that respected conservatives would simply be fed up with his puffery and concerned he might actually win and thereby ruin the party and the conservative movement is foreign to him. Once again, he's the victim when in fact he's simply been caught misbehaving (in this case, in excessive opportunism).

Gingrich's defenders are as careless with the truth as he is. <u>Rich Lowry</u> eviscerates one such attempt to smear a Gingrich critic:

Jeffrey Lord manages a two-fer in this piece: he slyly smears Elliott Abrams for allegedly prostituting himself for a job in a Romney administration on the basis of no evidence whatsoever. And he misrepresents the Newt speech he defends. . . .

Elliott didn't write <u>the piece for us</u> at the request of the Romney campaign. He wanted to push back against Gingrich's exaggerations. Elliott worked closely with congressional Republicans in this period and knew Gingrich wasn't a go-to guy on this stuff and occasionally directed his vitriolic rhetoric at Reagan, something he never mentions on the campaign trail. You can read it in all its glory here. (I suspect Newt's fans will find it unerringly brilliant, while others will roll their eyes.) Gingrich spokesman Joe DeSantis called on . . . [National Review] to retract Elliott's piece. In light of all the above, I call on Joe DeSantis to retract his call for a retraction.

Bravo, Rich! As Mitt Romney figured out in the last debate, one Romney confidante explained to me, "The way to deal with a bully is smack him in the face."

But in Gingrich's book *he* is ever the persecuted one. I suppose Reagan chronicler <u>Peggy</u> <u>Noonan</u> is also in on the "plot" when she confirms that during the 1990s "he concluded the growth area within the party was a critique of Reaganism from the right, and sometimes the left. So that's where he was. . . . [T]he point is Newt senses the lay of the land. If a new and modern strain of Rockefeller Republicanism looked like it was about to take hold, he'd see the virtues in that. Right now the growth area looks like it's in opposition to elites and establishments. So that's where he is."

The delicious irony this weekend is that in the midst of the Gingrich camp's serial complaints and accusations, a character witness stepped forward, the imprisoned former congressman <u>Duke Cunningham</u>, for whose corruption Gingrich was "the prime enabler among many, many enablers." Meanwhile, the vast number of Gingrich's unimprisoned former colleagues back other candidates and/or have set out to warn us about the perils of Newt.

So, you see that nothing about Gingrich is new at all. He remains the same erratic and undisciplined character he has always been, employing exaggerated outrage and baseless accusations to distract from his own failures (e.g., a truly rotten debate performance) and flaws (e.g., opportunism on a grand scale).

Judge him by the quality of the company he keeps (e.g., Palin, Herman Cain, Cunningham, Texas Gov. Rick Perry) and the critics he attracts. Gingrich has divided the party between the kids and grown-ups, the embarrassing and the presentable, the preposterous and the sober, the bomb-throwers and the policy wonks. (This has nothing to do with ideology; There are many sober, presentable grown-ups who are very, very conservative.) Judge him by his own conduct and the defenses he concocts. But mostly, consider the prospects of a president who regards critics as conspiratorial enemies and himself as a historic figure of epic proportions. (Oh wait. We have one of those already.)

Carpe Diem What Obama Won't Mention in Michigan: Campus Has 53% More Administrators Than Faculty

by Marc Perry

From an <u>open letter to President Obama</u> on December 16, 2011 from University of Michigan President Mary Sue Coleman:

"Higher education is a public good currently lacking public support. There is no stronger trigger for rising costs at public universities and colleges than declining state support."

According to the <u>Washington Post</u>, "President Barack Obama will announce a plan to shift some federal dollars away from colleges and universities that don't control tuition costs and new competitions in higher education to encourage efficiency as part of an effort to contain soaring college costs. Obama will spell out his plans Friday at the University of Michigan in Ann Arbor."

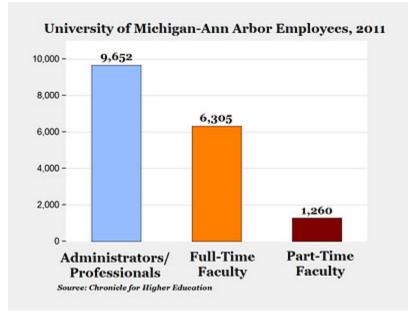
One issue that will probably not receive a lot of attention today from either President Obama or President Coleman is the contribution of rising administrative positions and salaries to the rising cost of college tuition. For example:

1. According to data from the <u>Chronicle of Higher Education</u> (also available from <u>IPEDS</u>), the University of Michigan-Ann Arbor has 53% more full-time "administrators and professionals" (9,652) than full-time faculty (6,305), or a ratio of 1.53 administrative and professional positions for every full-time faculty member. Couldn't those administrative/professional expenses have

something to do with rising tuition?

2. In a front page article on March 27, 2011, the Detroit Free Press reported that:

"Michigan public universities increased their spending on administrative positions by nearly 30% on average in the last five years, even as university leaders say they've slashed expenses to keep college affordable for families. The number of administrative jobs grew 19% over that period at the state's public universities, according to data submitted by the schools to the state budget office.



The increases took place from the 2005-06 school year through 2009-10 -- a period in which both student enrollment and state funding of universities remained about the same, state data show. The higher administrative costs were slightly exceeded by tuition hikes over this period."

3. From this <u>Detroit Free Press database</u> that accompanied the article above, administrative salaries at the University of Michigan-Ann Arbor increased by almost 27% in the five-year period between 2005-2006 and 2009-2010, compared to an 18.2% increase in faculty pay during the same period.

4. From a related March 13, 2011 story in the Flint Journal:

"The University of Michigan-Flint's administrative ranks has grown the fastest among the 15 public universities in the state, according to figures from the Michigan Higher Education Institutional Data Inventory released earlier this year. The data showed that the percentage growth in full time administrative and professional staff positions swelled 74 percent between 2005 and 2009, although the percent of administrative positions on campus remains average compared to other universities.

As the number of deans, associate deans and program directors grew at the Flint campus over the last five years, so have administrative paychecks. Six-figure salaries more than doubled on

campus since 2006, according to the newest faculty and staff salary information recently released by UM. Nearly 50 of the roughly 1,000 employees made \$100,000 or more at UM-Flint, compared to about 20 four years earlier."

5. It's not just Michigan universities that have added administrators, it's a national phenomenon, here's a story from a few years ago about the growth in administrative positions in the <u>University of North Carolina system</u>.

Update 1: According to <u>IPEDS data</u> from the U.S. Department of Education, here are the headcounts for the University of Michigan-Ann Arbor in 2010 (most recent year available):

Full Time Faculty: 5,693 Full Time Executive/Managerial: 1,711 Full Time Professionals: 6,772 Total Executive/Managerial/Professional: 8,483

Therefore, in 2010, there were 49% more full-time administrative/professional staff than full-time faculty.

Update 2: Examples of positions in the **Executive/Managerial** category include: Deans (including Associates and Assistants), Program Directors, Office Managers, Supervisors, Registrar, Provost, President, Chancellor, Vice-Chancellors, etc.

Positions in the **Professional** category include Coordinators, Trainers, Graphic Artist, Program Manager, Analyst, Benefits Representative, Accountant, Associate Librarian, Financial Aid Administrator, Major Gifts Officer, Counselor, etc.

Daily Mail, UK Haiti and the shaming of the aid zealots: How donated billions have INCREASED poverty and corruption by lan Birrell

The first thing that strikes you is the smell: a sweet, sickly stench that sticks to your skin. It is worst in the morning, since women are terrified of risking a nocturnal trip to the handful of lavatories serving the thousands of people in the camp because of an epidemic of rape. Even the youngest girls are in danger.

I stop to chat to a young man in a green polo shirt. Ricardo Jenty says we must take care because three gunmen have just walked by on their way to settle a feud. He fears trouble; already he has seen friends shot dead.

Ricardo, 25, a father of three young children, recounts how the earthquake that hit Haiti two years ago ruined his home and wrecked his life. His makeshift tent is one of thousands crammed onto what was once a football pitch.

Every day there are fights between gangs. There are so many young bloods that don't care now. You have to avoid them — most of us don't want any part of these things.'

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The heat under the plastic roof is so intense his wife Roseline, 27, drips with sweat as she describes living in such hell. She looks exhausted. If she is lucky, she says, she has one meal a day, but often goes two days without food, putting salt in water to keep her going.

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Ricardo says it makes him angry. 'If I looked back two years ago I would never have thought I would still be here in this camp. If the aid organisations really cared about our lives, they could have done something. But how can I have hope for my future, living like this?'

The family's story shames all those international organisations that flocked to Haiti after the earthquake two years ago, which killed an estimated 225,000 people. It was one of the most devastating natural disasters of recent years — and the world responded in sympathy. The international community claimed to have given £6.5 billion to heal Haiti's wounds, while donations poured in to charities.

Earlier this month, on the quake's second anniversary, aid agencies pumped out press releases proclaiming their successes. Add up all the people they claim to have helped and the number exceeds the population of Haiti.

The reality is rather different — and shines a stark light on the assumptions, arrogance and deficiencies of the ever-growing global relief industry. As promises were broken, mistakes were made and money was wasted, prices of food and basic supplies for local people soared, sanitation deteriorated, there was less safe water to drink and well-meaning interventions made matters infinitely worse.

United Nations peacekeepers, supposedly there to protect local people, presided over the world's deadliest cholera outbreak that has killed nearly 7,000 people and infected half a million more.

Only 4,769 new houses have been built, and 13,578 homes repaired, while 520,000 people remain in those squalid camps. Many more returned to wrecked homes rather than endure the camps' inhuman conditions, blamed for driving up violence, rape and paedophilia.

'Aid did some good and saved some lives early on but ultimately led to more division, more cynicism and made the mercantile class even richer,' says Mark Schuller, a U.S. anthropologist who teaches in Haiti. 'In the end the way the aid was delivered, the lack of co-ordination and the lack of respect for the Haitian people did more harm than good. It would have been better if they had not come.'

Schuller, who spends \$375 per month renting his three-bedroom flat, is critical of humanitarian staff earning up to ten times local salaries, with big cars, drivers and \$2,500-a-month housing allowances. Rents have soared since the quake.

Haiti's prime minister has pointed out that 40 per cent of aid money supports the foreigners handing it out. Undoubtedly, huge sums have been wasted: for example, humanitarian groups paid double local rates for lorry loads of water.

One car dealer sold more than 250 Toyota Land Cruisers a month at £40,000 each. 'You see traffic jams at Friday lunchtime of all the white NGO and UN four-wheel drives heading off early to the beaches for the weekend,' said one Irish aid worker. 'It makes me sick.'

Haiti had huge problems even before the earthquake ripped it apart in 35 terrifying seconds. The poorest nation in the western hemisphere, it has had a turbulent history since a slave revolt against French colonial masters led to independence in 1804.

It suffered from suffocating foreign interference and a succession of brutal, hopeless and hapless governments. In the past 25 years alone Haiti has endured nine presidents, two coups and one invasion.

It has also received astounding amounts of aid: in the half century before the quake, Haiti was handed four times as much per capita as Europeans received under the post-war Marshall plan. There were more charities in Haiti — an estimated 12,000 — on the ground per head of population than any other place on earth.

Over the same period incomes collapsed by more than one-third in a nation nicknamed 'The Republic of NGOs'. It is hard not to wonder if the torrents of aid were one cause of the nation's problems, creating a culture of dependency, fostering corruption and undermining its image.

After the quake, the world rushed to help again. But many official pledges of assistance turned out to be little more than lies, with half the promised funds never turning up and huge slices of the rest diverted back to donors. The largest single recipient of U.S. earthquake aid, for example, was the U.S. government.

Meanwhile, Haitians themselves were largely ignored. A study of nearly 1,500 contracts awarded by U.S. authorities found only 23 went to Haitian companies while contractors based in Washington received more than one-third of funds — hardly the best way to help Haiti's development.

As images of biblical devastation played out on the news, aid groups were flooded with donations, but substantial sums remain unspent. Major charities still hold one-third of the cash they raised; the American Red Cross alone has more cash in its coffers than the £107 million donated to the disaster by Britons.

Devastated areas were plastered with logos and flags as charities fought to get in front of the cameras and tap into the goldrush. One U.S. preacher held up traffic on a main road as he filmed a video of himself handing a bag of rice to a kneeling Haitian; another flew in by private jet from Texas to make fundraising videos using orphans as props.

One aid group stood apart: Medecins Sans Frontieres — which had worked in Haiti for 20 years — closed its appeal after a few days as it had raised enough for immediate needs.

Gaetan Drossart, its head of mission, said it was wrong for charities to raise more than they could spend. 'Organisations want to be in front of the cameras in an emergency to attract attention since this gets the money,' he said. 'The humanitarian business is no different to any other business.'

Drossart wants limits placed on the numbers of groups allowed in to disaster zones given the chaos and poor co-ordination he witnessed in the earthquake's aftermath.

Just down the road from his office colourful wooden sheds called Transitional Shelters dot the landscape. These tiny temporary homes were built not because survivors wanted them — they would have preferred to have ruined properties rebuilt or new homes — but because donors wanted visible signs of progress.

They are taking twice as long and — at £345 million — nearly three times as much money to build as planned. The flagship community was Corail, about ten miles outside Port-au-Prince. Families were lured here with promises of clean water, medical care, education and jobs in proposed garment factories. The actor Sean Penn, who spent several months in Haiti after the quake, was among those who persuaded people to move.

Now these unfortunate people are marooned on a rocky patch of land: the factories have not materialised, there are no hospitals, the schools are inadequate and they have started being charged for water at more than twice the cost in the camps. Vast squatter camps have sprung up on the hillsides around them.

'They promised us when we came here we would find everything we needed,' said Marjorie Saint Hilaire, a mother of three boys whose husband was killed in the quake. 'Now we are living in a desert.'

Pregnant women have died trying to get to hospital, a journey that can take three hours on four different buses. Two days before my visit, a woman in labour had to take a motorcycle to hospital.

Fernande Bien Amie, a mother of two, said they felt betrayed by aid groups reneging on promises and by their government's failure to monitor them. 'These NGOs just do whatever they want, then leave whenever they want,' she said.

As so often with the aid industry, for all its undoubted achievements in difficult conditions, good intentions keep backfiring. Camps were given soap but no water, condoms but not food. Text messages told people to wash before eating when babies were being bathed in sewer water.

Payments for rubble clearance led people to stop clearing streets until given money.

Curiously, it was in the notorious ghetto of Cite Soleil — avoided as too dangerous by many relief groups — that I found the most hopeful signs of Haiti's rebirth. Young activists are cleaning up the streets, going out with brushes to sweep away rubbish, unblock evil-smelling canals and foster communal pride. The results are impressive.

'People come to our meetings as they want to see our streets clean,' says Robillard Lovino, 25, one of the organisers. 'It's not a foreign NGO telling them to do things, this is communities figuring out their own change.'

In a decrepit building, students are crammed into classes in journalism, theatre, dance and music organised by Hilaire Jean Lesly, director of a community radio station. 'We have no help and have not asked for help — Haitians must take responsibility for themselves,' he says.

'We want to show the good side of Cite Soleil. You only hear bad things about gangsters, violence and poverty,' said Lesly. 'NGOs just want to show places like this as weak and vulnerable because that justifies always asking for their help.'

Harsh words. But as the aid industry moves off in search of new emergencies and new funds, perhaps it should listen to such voices.

Investor's.com Late Night by Andrew Malcolm

Conan: President Obama's State of the Union speech was written so eighth graders could understand it. Which explains the part where Obama said, "I wasted bin Laden, LMAO!"

Barack Obama at a Washington dinner banquet Saturday: "It is great to be here tonight, because I have about 45 more minutes on the State of the Union that I'd like to deliver tonight."

Conan: The NHL Champion Boston Bruins visited the White House the other day. President Obama said he loves hockey as much as any black guy who grew up in Indonesia.

Conan: Mitt Romney is releasing his 2010 and 2011 tax returns. Not to be outdone, Newt Gingrich is releasing his 1988, '94 and 2005 wedding vows.

Conan: The other day was the first day of the Chinese New Year of the Dragon, so Happy New Year! Or as they say in China, 'Everybody back to work!'

Conan: At last week's presidential debate in Florida, the audience wasn't allowed to applaud. But being Florida, the audience did yell "Bingo!"

Conan: The Academy Award nominations were announced at 5:30 a.m. Meryl Streep got her 17th Oscar nomination. Reached for comment, Streep said, "You woke me for that?"

Conan: Instead of nominating 10 possible best films, the Academy Awards only nominated nine. In other words, 'Chipwrecked' got screwed.

Conan: Two of the Academy Award nominations for Best Picture were for "Tree of Life" and "The Artist." Both were nominated in the category, "Best Picture You've Heard of But Will Never See."

Conan: Nancy Pelosi says she has dirt on Newt Gingrich. But she's keeping her lips sealed. Not because of discretion, but because that's how the last surgeon left them.



